

BOON TOWNSHIP

Wexford County, Michigan

Audited Financial Statements

March 31, 2004

AUDITING PROCEDURES REPORT

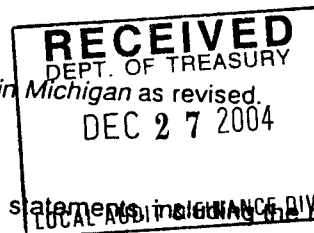
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Local Government Name (Specify) <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other			BOON TOWNSHIP	County WEXFORD
Audit Date MARCH 31, 2004	Opinion Date 12-2-04	Date Accountant Report Submitted to State: 12-23-04		

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.



We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) JAY THIEBAUT, PC, CPA			
Street Address 222 HOWARD STREET, PO BOX 807		City CADILLAC	State MI
Accountant Signature 		ZIP 49601-0807	

BOON TOWNSHIP
Wexford County, Michigan
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BOON TOWNSHIP
Wexford County, Michigan
Officers and Trustees
March 31, 2004

Supervisor

Stephen Cunningham

Clerk

Alice Finnerty

Treasurer

Jacqueline Willis

Trustee

Richard Liptak, Jr.

Trustee

Walter Renshaw

JAY THIEBAUT

Certified Public Accountant
P.O. Box 807
Cadillac, Michigan 49601
Telephone 231-775-0174

INDEPENDENT AUDITOR'S REPORT

To the Township Board
Boon Township
Wexford County, Michigan

I have audited the accompanying general purpose financial statements of Boon Township, as of and for the year ended March 31, 2004, as listed in the table of contents. These general purpose financial statements are the responsibility of the Township's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Boon Township, at March 31, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Boon Township. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



Jay Thiebaut P.C.
Certified Public Accountant
Cadillac, Michigan

December 2, 2004

General Purpose Financial Statements

BOON TOWNSHIP
Wexford County, Michigan
Combined Balance Sheet
All Fund Types and Account Groups
March 31, 2004

	Governmental Fund Types		Fiduciary Fund Type	Account Groups	Totals
	General	Special Revenue	Agency	General Fixed Assets	(Memorandum Only)
Assets					
Cash	\$ 96,325	\$ 44,943	\$ 1,070	\$ -	\$ 142,338
Investments	28,843	20,000	-	-	48,843
Due from other funds	1,070	-	-	-	1,070
Capital assets	-	-	-	114,640	114,640
Total assets	<u>\$ 126,238</u>	<u>\$ 64,943</u>	<u>\$ 1,070</u>	<u>\$ 114,640</u>	<u>\$ 306,891</u>
Liabilities and Fund Equity					
Liabilities					
Accounts payable	\$ 495	\$ -	\$ -	\$ -	\$ 495
Due to other funds	-	-	1,070	-	1,070
Total liabilities	<u>495</u>	<u>-</u>	<u>1,070</u>	<u>-</u>	<u>1,565</u>
Fund equity					
Investment in general fixed assets	-	-	-	114,640	114,640
Fund balance	125,743	64,943	-	-	190,686
Total equity	<u>125,743</u>	<u>64,943</u>	<u>-</u>	<u>114,640</u>	<u>305,326</u>
Total liabilities and fund equity	<u>\$ 126,238</u>	<u>\$ 64,943</u>	<u>\$ 1,070</u>	<u>\$ 114,640</u>	<u>\$ 306,891</u>

See notes to financial statements.

BOON TOWNSHIP
Wexford County, Michigan
Combined Statement of Revenues, Expenditures and Changes in
Fund Balances - All Governmental Fund Types
Year Ended March 31, 2004

	General	Special Revenue	Totals (Memorandum Only)
Revenues			
Taxes			
State sources	\$ 13,067	\$ 37,754	\$ 50,821
Charges for services	37,710	468	38,178
Interest	6,187	-	6,187
Other	643	73	716
Total revenues	<u>1,916</u>	<u>39</u>	<u>1,955</u>
	<u>59,523</u>	<u>38,334</u>	<u>97,857</u>
Expenditures			
General government			
Board			
Supervisor	9,190	-	9,190
Assessor	2,440	-	2,440
Clerk	7,992	-	7,992
Board of review	3,217	-	3,217
Treasurer	1,292	-	1,292
Elections	7,005	-	7,005
Buildings and grounds	256	-	256
Cemetery	4,290	-	4,290
Public safety	7,877	-	7,877
Public works	-	14,195	14,195
Total expenditures	<u>698</u>	<u>-</u>	<u>698</u>
	<u>44,257</u>	<u>14,195</u>	<u>58,452</u>
Excess of revenues over (under) expenditures	15,266	24,139	39,405
Fund balances-beginning of year	<u>110,477</u>	<u>40,804</u>	<u>151,281</u>
Fund balances-end of year	<u>\$ 125,743</u>	<u>\$ 64,943</u>	<u>\$ 190,686</u>

See notes to financial statements.

BOON TOWNSHIP
Wexford County, Michigan
Combined Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
General and Special Revenue Fund Types
Year Ended March 31, 2004

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 12,000	\$ 13,067	\$ 1,067
State sources	34,300	37,710	3,410
Charges for services	5,480	6,187	707
Interest	500	643	143
Other	-	1,916	1,916
Total revenues	<u>52,280</u>	<u>59,523</u>	<u>7,243</u>
Expenditures			
General government			
Board	16,680	9,190	7,490
Supervisor	2,700	2,440	260
Assessor	10,100	7,992	2,108
Clerk	4,000	3,217	783
Board of review	500	1,292	(792)
Treasurer	7,100	7,005	95
Elections	500	256	244
Building and grounds	4,000	4,290	(290)
Cemetery	6,000	7,877	(1,877)
Public safety	-	-	-
Public works	700	698	2
Total expenditures	<u>52,280</u>	<u>44,257</u>	<u>8,023</u>
Excess of revenues over (under) expenditures	-	15,266	15,266
Fund balances-beginning of year	<u>110,477</u>	<u>110,477</u>	<u>-</u>
Fund balances-end of year	<u>\$ 110,477</u>	<u>\$ 125,743</u>	<u>\$ 15,266</u>

See notes to financial statements.

BOON TOWNSHIP
Wexford County, Michigan
Combined Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
General and Special Revenue Fund Types
Year Ended March 31, 2004

Special Revenue Funds			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 36,000	\$ 37,754	\$ 1,754	\$ 48,000	\$ 50,821	\$ 2,821
468	468	-	34,768	38,178	3,410
-	-	-	5,480	6,187	707
-	73	73	500	716	216
-	39	39	-	1,955	1,955
<u>36,468</u>	<u>38,334</u>	<u>1,866</u>	<u>88,748</u>	<u>97,857</u>	<u>9,109</u>
-	-	-	16,680	9,190	7,490
-	-	-	2,700	2,440	260
-	-	-	10,100	7,992	2,108
-	-	-	4,000	3,217	783
-	-	-	500	1,292	(792)
-	-	-	7,100	7,005	95
-	-	-	500	256	244
-	-	-	4,000	4,290	(290)
36,468	14,195	22,273	6,000	7,877	(1,877)
-	-	-	36,468	14,195	22,273
<u>36,468</u>	<u>14,195</u>	<u>22,273</u>	<u>700</u>	<u>698</u>	<u>2</u>
			<u>88,748</u>	<u>58,452</u>	<u>30,296</u>
-	24,139	24,139	-	39,405	39,405
<u>40,805</u>	<u>40,805</u>	<u>-</u>	<u>151,282</u>	<u>151,282</u>	<u>-</u>
<u>\$ 40,805</u>	<u>\$ 64,944</u>	<u>\$ 24,139</u>	<u>\$ 151,282</u>	<u>\$ 190,687</u>	<u>\$ 39,405</u>

See notes to financial statements.

BOON TOWNSHIP
Wexford County, Michigan
Notes to Financial Statements
March 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Boon Township conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

Boon Township is a municipal entity governed by an elected board. As required by generally accepted accounting principles, these general purpose financial statements present the primary government of Boon Township. There are no other organizations that are considered to be component units of the Township; therefore, the Township's reporting entity consists only of the primary government and does not include any component units.

Basis of Presentation - Fund Accounting

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. The various funds and account groups are categorized and described as follows:

Governmental Funds

General Fund - The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for special purposes. The Special Revenue Funds for the Township are the Fire Fund and Liquor Law Enforcement Fund.

Fiduciary Funds

Agency Funds are used to account for assets held by the Township as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Township has an Agency Fund, which is used to account for property tax collections.

BOON TOWNSHIP
Wexford County, Michigan
Notes to Financial Statements
March 31, 2004

Account Groups

General Fixed Asset Account Group - All the fixed assets of the Township are accounted for in this account group, rather than in the governmental funds. Items included in this Account Group must be tangible, possess a life longer than one year and have a significant value. All fixed assets are valued at cost or estimated historical cost if the actual amounts are not available. No depreciation has been provided on the general fixed assets.

Account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Basis of Accounting

All governmental and agency funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become susceptible to accrual; that is, when they become both "measurable" and "available to finance expenditures of the current period". Property taxes are recorded as revenue when levied. Delinquent property taxes, which are considered unavailable to finance expenditures, are not material. Expenditures are recorded when a liability is incurred.

Budget and Budgetary Accounting

The Township follows these budgeting procedures that are in accordance with Michigan Statutes:

1. Budgets are adopted for the governmental funds.
2. Budget appropriations are adopted before the beginning of each fiscal year.
3. Both budgeted and actual financial results cannot incur a deficit (including an available unappropriated surplus).
4. Amendments to the budget are made prior to over expenditures and before the fiscal year end.
5. Budgets reported in the financial statements are at the revenue and activity level as adopted by the Township that is on a basis consistent with generally accepted accounting principles.

BOON TOWNSHIP
Wexford County, Michigan
Notes to Financial Statements
March 31, 2004

Cash and Cash Equivalents

At March 31, 2004, all cash and cash equivalents were on deposit with federally insured depository institutions. The bank balance was \$142,338 of which \$100,000 was covered by federal depository insurance and \$42,338 was uninsured and unsecured. The certificates of deposit of \$48,841 were covered by federal depository insurance.

The Township Board has authorized cash and cash equivalents to be in federally insured depository institutions. These cash accounts can be checking, savings, money markets, or certificates of deposit with original maturities of three months or less. Additionally, the Township Board specifically authorizes each depository institution.

Total Columns on Combined Statements-Overview

Total Columns on the Combined Statements-Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by Boon Township because it is not, at present, considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended March 31, 2004, the Township carried commercial insurance to cover all risks of losses. The Township had no settled claims resulting from these risks that exceeded their commercial coverage in any of the past three fiscal years.

NOTE 2 - PROPERTY TAX

Property taxes attach as an enforceable lien on property as of December 1. Taxes are due and payable from December 1 to March 1. All delinquent real property taxes are purchased by the county tax revolving fund sometime in May or June of each year so that the Township collects 100% of the real property tax levy. Delinquent personal property tax is immaterial and is not recorded until collected.

BOON TOWNSHIP
Wexford County, Michigan
Notes to Financial Statements
March 31, 2004

NOTE 3 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance 04/01/03	Additions	Balance 03/31/04
Land	\$ 12,800	\$ -	\$ 12,800
Buildings	20,851	-	20,851
Furniture and equipment	80,989	-	80,989
Totals	<u>\$ 114,640</u>	<u>\$ -</u>	<u>\$ 114,640</u>

NOTE 4 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

Michigan Statutes provides that a township shall not incur expenditures in excess of the amount appropriated.

The unfavorable variances as shown on the Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual, are not considered material violations as described in Michigan Statute due to the conditions and events that gave rise to these variances and the adequacy of the budgetary system.

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

	Due From Other Funds	Due to Other Funds
General fund		
Current tax collection fund	\$ 1,070	\$ -
Current tax collection fund		
General fund	-	1,070
Totals	<u>\$ 1,070</u>	<u>\$ 1,070</u>

Supplementary Financial Information

BOON TOWNSHIP
Wexford County, Michigan
General Fund
Schedule of Expenditures
Year Ended March 31, 2004

Expenditures	
General government	
Board	
Personal services	\$ 690
Employer's share of fica	1,205
Other services and charges	4,706
Professional and contractual	615
Insurance and bonds	1,974
Total board	<u>9,190</u>
Supervisor	
Personal services	
Other services and charges	2,400
Total supervisor	<u>40</u>
Assessor	<u>2,440</u>
Professional and contractual	
Clerk	<u>7,992</u>
Personal services	
Other services and charges	3,000
Total clerk	<u>217</u>
Board of review	<u>3,217</u>
Personal services	
Other services and charges	1,009
Total board of review	<u>283</u>
Treasurer	<u>1,292</u>
Personal services	
Other services and charges	4,268
Total treasurer	<u>2,737</u>
Elections	<u>7,005</u>
Other services and charges	
Buildings and grounds	<u>256</u>
Personal services	
Supplies	239
Insurance and bonds	331
Utilities	875
Repairs and maintenance	2,019
Total buildings and grounds	<u>826</u>
	<u>4,290</u>

BOON TOWNSHIP
Wexford County, Michigan
General Fund
Schedule of Expenditures
Year Ended March 31, 2004

Cemetery	
Personal services	7,347
Insurance and bonds	392
Utilities	92
Repairs and maintenance	46
Total cemetery	<u>7,877</u>
Total general government	<u>43,559</u>
Public safety	
Street lights	
Utilities	<u>698</u>
Total expenditures	<u>\$ 44,257</u>

BOON TOWNSHIP
Wexford County, Michigan
Special Revenue Funds
Combining Balance Sheet
March 31, 2004

	<u>Fire</u>	<u>Liquor Law Enforcement</u>	<u>Totals (Memorandum Only)</u>
Assets			
Cash			
Investments	\$ 43,924	\$ 1,019	\$ 44,943
Total assets	<u>20,000</u>	<u>-</u>	<u>20,000</u>
	<u>\$ 63,924</u>	<u>\$ 1,019</u>	<u>\$ 64,943</u>
Fund equity			
Fund balance	<u>\$ 63,924</u>	<u>\$ 1,019</u>	<u>\$ 64,943</u>

BOON TOWNSHIP
Wexford County, Michigan
Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Year Ended March 31, 2004

	Fire	Liquor Law Enforcement	Totals (Memorandum Only)
Revenues			
Taxes	\$ 37,754	\$ -	\$ 37,754
State sources	-	468	468
Interest	73	-	73
Other	39	-	39
Total revenues	<u>37,866</u>	<u>468</u>	<u>38,334</u>
Expenditures			
Public safety			
Personal services	-	360	360
Employer's share of fica	-	27	27
Supplies	-	-	-
Insurance and bonds	7,769	50	7,819
Utilities	2,397	-	2,397
Repairs and maintenance	3,592	-	3,592
Capital outlay	-	-	-
Total expenditures	<u>13,758</u>	<u>437</u>	<u>14,195</u>
Excess of revenues over (under) expenditures	24,108	31	24,139
Fund balance-beginning of year	<u>39,816</u>	<u>988</u>	<u>40,804</u>
Fund balance-end of year	<u>\$ 63,924</u>	<u>\$ 1,019</u>	<u>\$ 64,943</u>

BOON TOWNSHIP
Wexford County, Michigan
Agency Fund
Statement of Changes in Assets and Liabilities
Year Ended March 31, 2004

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
Current Tax Collection Fund				
Assets				
Cash	<u>\$ 1,209</u>	<u>\$ 405,358</u>	<u>\$ 405,497</u>	<u>\$ 1,070</u>
Liabilities				
Due to other funds	\$ 1,209	\$ 48,509	\$ 48,648	\$ 1,070
Due to county	-	175,793	175,793	-
Due to schools	-	111,986	111,986	-
Due to intermediate school	-	68,534	68,534	-
Due to others	-	536	536	-
Total liabilities	<u>\$ 1,209</u>	<u>\$ 405,358</u>	<u>\$ 405,497</u>	<u>\$ 1,070</u>